

## **AKASH INFRA-PROJECTS LIMITED**

### **Policy for determining Material Subsidiary**

[Pursuant to Regulation 16(1)(C) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- **Purpose and Scope:**

The Policy for determining “material subsidiary” companies has been framed in accordance with the provisions of Regulation 16(1)(C) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Company shall mean a “**Akash Infra-Projects Limited**”.

- **Identification of “material subsidiary”:**

“**Material Subsidiary**” shall mean a subsidiary –

1. whose income exceeds twenty percent of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year. or;
2. whose net worth exceeds twenty percent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

“**Material Un-Listed Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- **Corporate Governance Requirements:**

Corporate Governance Requirements in accordance with the provisions of Regulation 24 of Chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, are as under:

1. At least one independent director of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.

2. The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

**“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

**Requirements for disposal of Material Subsidiary:**

1. The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
2. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

- **Policy Review:**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.